

reached a permanent settlement of the conflict, including a final agreement on a cease-fire. On January 16, 1992, the Government of El Salvador and the FMLN signed such an agreement, bringing an end to the civil conflict.

Consistent with section 531, I hereby provide notification that the Government of El Salvador and representatives of the FMLN have reached a permanent settlement of the conflict, including a final agreement on a cease-fire.

This notification allows the amounts in the Demobilization and Transition Fund

(Fund) to be made available for obligation and expenditure. The Secretary of State will have responsibility for administering the Fund.

It is extremely important for the United States to support the implementation of this historic peace agreement, and I look forward to your continued cooperation toward achieving our mutual objectives in this endeavor.

GEORGE BUSH

The White House,
April 7, 1992.

Message to the Congress Reporting on Economic Sanctions Against Haiti

April 7, 1992

To the Congress of the United States:

1. On October 4, 1991, in Executive Order No. 12775, I declared a national emergency to deal with the threat to the national security, foreign policy, and economy of the United States caused by events that had occurred in Haiti to disrupt the legitimate exercise of power by the democratically elected government of that country (56 FR 50641). In that order, I ordered the immediate blocking of all property and interests in property of the Government of Haiti (including the Banque de la Republique d'Haiti) then or thereafter located in the United States or within the possession or control of a U.S. person, including its overseas branches. I also prohibited any direct or indirect payments or transfers to the *de facto* regime in Haiti of funds or other financial or investment assets or credits by any U.S. person or any entity organized under the laws of Haiti and owned or controlled by a U.S. person.

Subsequently, on October 28, 1991, I issued Executive Order No. 12779 adding trade sanctions against Haiti to the sanctions imposed on October 4 (56 FR 55975). Under this order, I prohibited exportation from the United States of goods, technology, and services, and importation into the United States of Haitian-origin goods

and services, after November 5, 1991, with certain limited exceptions. The order exempts trade in publications and other informational materials from the import, export, and payment prohibitions and permits the exportation to Haiti of donations to relieve human suffering as well as commercial sales of five food commodities: rice, beans, sugar, wheat flour, and cooking oil. In order to permit the return to the United States of goods being prepared for U.S. customers by Haiti's substantial "assembly sector," the order also permitted, through December 5, 1991, the importation into the United States of goods assembled or processed in Haiti that contained parts or materials previously exported to Haiti from the United States.

2. The declaration of the national emergency on October 4, 1991, was made pursuant to the authority vested in me as President by the Constitution and laws of the United States, including the International Emergency Economic Powers Act (50 U.S.C. 1701, *et seq.*), the National Emergencies Act (50 U.S.C. 1601, *et seq.*), and section 301 of title 3 of the United States Code. I reported the emergency declaration to the Congress on October 4, 1991, pursuant to section 204(b) of the International Emergency Economic Powers Act (50 U.S.C. 1703(b)). The additional sanctions set

forth in my order of October 28 were imposed pursuant to the authority vested in me by the Constitution and laws of the United States, including the statutes cited above, and implement in the United States Resolution MRE/RES. 2/91, adopted by the Ad Hoc Meeting of Ministers of Foreign Affairs of the Organization of American States ("OAS") on October 8, 1991, which called on Member States to impose a trade embargo on Haiti and to freeze Government of Haiti assets. The present report is submitted pursuant to 50 U.S.C. 1641(c) and 1703(c) and discusses Administration actions and expenses directly related to the national emergency with respect to Haiti declared in Executive Order No. 12775, as implemented pursuant to that order and Executive Order No. 12779.

3. On March 31, 1992, the Office of Foreign Assets Control of the Department of the Treasury ("FAC"), after consultation with other Federal agencies, issued the Haitian Transactions Regulations, 31 C.F.R. Part 580 (57 FR 10820, March 31, 1992), to implement the prohibitions set forth in Executive Orders Nos. 12775 and 12779.

Prior to the issuance of the final regulations, FAC issued a number of general licenses to address urgent situations requiring an interpretation of U.S. sanctions policy in advance of the final regulations. These general licenses provided agency policy regarding the articles (baggage, personal effects, etc.) that could be exported or imported by travellers to and from Haiti; the treatment of amounts owed to the *de facto* regime by U.S. persons for certain telecommunications services; the movement of diplomatic pouches; the obligation of banks and other financial institutions with respect to Government of Haiti funds in their possession or control; authorization of commercial shipments to Haiti of medicines and medical supplies; and the circumstances under which certain exportations to, or importations from, the "assembly sector" in Haiti would be permitted. These general licenses have been incorporated into the Haitian Transactions Regulations.

4. The ouster of Jean-Bertrand Aristide, the democratically elected President of Haiti, in an illegal coup by elements of the Haitian military on September 30, 1991, was immediately repudiated and vigorously con-

demned by the OAS. The convening on September 30 of an emergency meeting of the OAS Permanent Council to address this crisis reflected an important first use of a mechanism approved at the 1991 OAS General Assembly in Santiago, Chile, requiring the OAS to respond to a sudden or irregular interruption of the functioning of a democratic government anywhere in the Western Hemisphere. As an OAS Member State, the United States has participated actively in OAS diplomatic efforts to restore democracy in Haiti and has supported fully the OAS resolutions adopted in response to the crisis, including Resolution MRE/RES. 2/91.

5. In these initial months of the Haitian sanctions program, FAC has made extensive use of its authority to specifically license transactions with respect to Haiti in an effort to mitigate the effects of the sanctions on the legitimate Government of Haiti and on U.S. firms having established relationships with Haiti's "assembly sector," and to ensure the availability of necessary medicines and medical supplies and the uninterrupted flow of humanitarian donations to Haiti's poor. For example, specific licenses have been issued (1) permitting expenditures from blocked assets for the operations of the legitimate Government of Haiti, (2) permitting U.S. firms wishing to terminate assembly operations in Haiti to return equipment, machinery, and parts and materials inventories to the United States and, beginning February 5, 1992, permitting firms wishing to resume assembly operations in Haiti to do so provided the prohibition on payments to the *de facto* regime is complied with, and (3) permitting the continued material support of U.S. and international religious, charitable, public health, and other humanitarian organizations and projects operating in Haiti.

6. Since the issuance of Executive Order No. 12779, FAC has worked closely with the U.S. Customs Service to ensure both that prohibited imports and exports (including those in which the Government of Haiti has an interest) are identified and interdicted and that permitted imports and exports move to their intended destination without undue delay. Violations and suspected viola-

tions of the embargo are being investigated, and appropriate enforcement actions will be taken.

7. The expenses incurred by the Federal Government in the 6-month period from October 4, 1991, through April 3, 1992, that are directly attributable to the authorities conferred by the declaration of a national emergency with respect to Haiti are estimated at \$323,000, most of which represent wage and salary costs for Federal personnel. Personnel costs were largely centered in the Department of the Treasury (particularly in FAC, the U.S. Customs Service, and the Office of the General Counsel), the Department of State, the Department of Commerce, and the Federal Reserve Bank of New York.

8. The assault on Haiti's democracy rep-

resented by the military's forced exile of President Aristide continues to pose an unusual and extraordinary threat to the national security, foreign policy, and economy of the United States. The United States remains committed to a multilateral resolution of this crisis through its actions implementing the resolutions of the OAS with respect to Haiti. I shall continue to exercise the powers at my disposal to apply economic sanctions against Haiti as long as these measures are appropriate, and will continue to report periodically to the Congress on significant developments pursuant to 50 U.S.C. 1703(c).

GEORGE BUSH

The White House,
April 7, 1992.

Message to the Congress Reporting on Panamanian Government Assets Held by the United States *April 7, 1992*

To the Congress of the United States:

1. I hereby report to the Congress on developments since the last Presidential report on October 3, 1991, concerning the continued blocking of Panamanian government assets. This report is submitted pursuant to section 207(d) of the International Emergency Economic Powers Act, 50 U.S.C. 1706(d).

2. On April 5, 1990, I issued Executive Order No. 12710, terminating the national emergency declared on April 8, 1988, with respect to Panama. While this order terminated the sanctions imposed pursuant to that declaration, the blocking of Panamanian government assets in the United States was continued in order to permit completion of the orderly unblocking and transfer of funds that I directed on December 20, 1989, and to foster the resolution of claims of U.S. creditors involving Panama, pursuant to 50 U.S.C. 1706(a). The termination of the national emergency did not affect the continuation of compliance audits and enforcement actions with respect to activities taking place during the sanctions period,

pursuant to 50 U.S.C. 1622(a).

3. The Office of Foreign Assets Control of the Department of the Treasury ("FAC") has released to the control of the Government of Panama approximately \$134 million of the approximately \$137.3 million that remained blocked at the time of my last report. The amount released represents blocked financial accounts that the Government of Panama requested be unblocked.

Of the approximately \$6.1 million remaining blocked at this time (which includes approximately \$2.8 million in interest credited to the accounts since my last report), some \$5.5 million is held in escrow by the Federal Reserve Bank of New York at the request of the Government of Panama. Additionally, approximately \$600,000 is held in commercial bank accounts for which the Government of Panama has not requested unblocking. A small residual in blocked reserve accounts established under section 565.509 of the Panamanian Transactions Regulations, 31 CFR 565.509, remains on the books of U.S. firms pending the final reconciliation of ac-